THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established In 1917

May 28, 1949

Shanghai Liberated

AS this issue of the *China Weekly Review* goes to press, Shanghai joins the liberated area of China. This publication has been a consistent critic of the corruption, exploitation and ineptitude that has characterized the Kuomintang regime, particularly in the post-war years. We therefore welcome the change that has come about and hope that the arrival of the People's Liberation Army will mark the beginning of a new era—an era in which the people of China can now begin to enjoy the benefits of good government. The new authorities have an immense task ahead of them in reconstructing the country and in reorganizing its social structure. We wish them well and will endeavor to reflect honestly and fairly the development of the new China.

JAP REPARATIONS

An Editorial

Report to Youth Congress

Jen Pi-shih

THREE POEMS

Tu Yun Sih, Fung Tsze, Tu An

VOLUME 113 GY4,000,000 NUMBER 13

Quality Petroleum Products

FOR GREATER OPERATING EFFICIENCY AND ECONOMY

Throughout a large part of the world Caltex is a trusted name. It is the mark of high quality for petroleum products. It provides convenient, reliable and uniform sources of supply at principal ports and terminals. And the use of Caltex products assures maximum output at minimum operating costs.

Caltex has achieved this position through its vast resources in production and refining, and through its research and marketing facilities. By providing skilled technical aid to see that Caltex quality petroleum products are applied correctly for greater efficiency and economy.

THE TEXAS CO. (CHINA) LTD.

Wheelock Building Shanghai

LETTERS From The People

Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of The China Weekly Review.

Early Curfew

To The Editor:

These are perilous times and the very fate of mankind seems to depend on the success of the battle to keep the Communists from Shanghai. However, no matter how just their cause it seems to me that the Nationalists should realize that their movements in this city now must especially take cognizance of the people and their welfare.

I specifically refer to the sudden changing of the curfew from 10 p.m. to 9 p.m. which was done with apparently no thought of making it public. On the day of its inauguration a number of friends, Chinese and foreign, had no way of being informed and spent the night in prison as a result. All of us realize that a military order these days is made only with the object of winning the battle for Shanghai but it might be wise for the powers that be to take into consideration the hardships and inconveniences, some of which can be easily avoided, that they inflict on the general public so needlessly.

While on the subject of curfew in Shanghai I must admit that the lengthening of our curfew came as a shock. I am an avid reader of the official war bulletins and after following them I was under the impression that the Communists were being beaten back around Shanghai. Surely this is no reason to extend the curfew but rather to shorten it.

LAWRENCE CHIANG.

Shanghai
May 21, 1949.

Kweilin News

To The Editor:

The Hunan-Kwangsi Railway was paralyzed during the latter part of April when thousands of railroad workers went on strike in Kweilin, capital of Kwangsi province, for higher wages. After strenuous negotiations, each worker was paid three silver dollars.

Meanwhile, both the workers and railway authorities had been plagued with hordes of roving soldier-merchants who insisted on riding free of charge. After the strike, a committee was formed which was empowered to clear all these illegal riders, by force if necessary. I once saw a colonel and a captain badly beaten up because of their refusal to buy tickets. Some soldiers who had armed themselves in order to board the train by force were taken to the local garrison headquarters through the concerted efforts of the workers of the Hunan-Kwangsi railway.

Just as in Shanghai, Kweilin was also swept by the cash famine. Almost all of the public organizations here ran out of cash. If pressed, the local branch of the Central Bank would hand out small-denomination banknotes, but these were refused by the public. Therefore, people were compelled to borrow money at 15 percent interest per day.

For 20 days Kweilin suffered from this famine, and then students of Kwangsi University descended upon the Central Bank demanding cash. Some of the students wrote a couplet in large Chinese

THE CHINA WEEKLY REVIEW

J. B. Powell
(Editor & Publisher, 1918-1947)

John W. Powell, *Editor & Publisher*
Fang Fu-an, *Financial Editor*
Sam J. Wilde, *Advertising Manager*

Assistant Editors

Mary Barrett
Yang Chen-fang
Rose Yardumian
Julian Schuman
Joan Faulkner

Contributing Editors

Lin Wo-chiang
Charles J. Canning
C. Y. W. Meng
Edward Rotbough
Ben Y. Lee
Frank L. Tsao
Tseng Yu-hao
Shen Chien-tu

F. K. Chao, *Business Manager*

Correspondents

Jefferson Cath — *Canton*
Van Shih-ching — *Chengchow*
Tong Chun-cho — *Chengtu*
Chen Fu-sheng — *Foochow*
Mark M. Lu — *Nanking*
Galahad Wood — *Kunming*
Joseph I. C. Luan — *Shantung*
Lauw Thian-hok — *Batavia*
Harin Shah — *Bombay*
C. Y. Hsieh — *London*
Joseph P. Lyford — *New York*
Jacques Decaux — *Paris*
S. E. Shifrin — *Seattle*
Ngiam Tong Fatt — *Singapore*
Hugh Deane — *Tokyo*

Chen Pang-cheng, *Circulation Manager*

Index for May 28, 1949

Editorial Paragraphs

Jap Reparations—One More Step 267
Europe's Prospects 268

Special Articles

Report To Youth League Congress ..... *Jen Pi-shih* 273
The Philippines Mounting Nationalism ..... *Andrew Roth* 275
Chengtu Educators Strike ..... *L. T. N.* 275
The Dead Soldier: A Poem ..... *Tu Yun Sih* 276
Invocation: A Poem ..... *Fung Tsze* 276
Song Of A Liberated Farmer: A Poem ..... *Tu An* 276

Departments

Letters From The People 263
25 Years Ago 272
News Of The Week 277
Comment In Chinese Magazines 278
Comment In US Magazines 278
What Chinese Papers Say 279
What US Papers Say 279

Subscription Rates

	3 months
Shanghai and China Outports (ordinary mail delivery)	GY 50,000,000
Hongkong and Macao (ordinary mail delivery)	GY 75,000,000

	6 months	*1 year*
U.S.A. and other Foreign Countries	US$5.00	US$9.00

Price per copy: GY2,000,000.

STUDENT RATES

	3 months
Shanghai and China Outports (ordinary mail delivery)	GY 40,000,000

(All subscriptions must be authenticated by the individual student's school and must be sent directly to the offices of the China Weekly Review.)

Because of the constantly increasing price levels, the above subscription rates are subject to change without notice. Hereafter, subscription payments will be credited at the rate prevailing when payment actually reaches the offices of the China Weekly Review.

All mail rates are subject to change in accordance with postal changes.

Cable Address: "Reviewing" Shanghai **Telephone: 14772**

Published at 160 Chung Cheng Road (Eastern), Shanghai (O), China, by Millard Publishing Company, Incorporated under the Laws of the State of Delaware, U.S.A. Registered at the Chinese Post Office as a newspaper for transmission with special marks privileges in China.

Contents of previous issues of The China Weekly Review may be found in the "International Index of Periodicals," copies of which are on file in most standard libraries.

All editorials, text and other matter in the Weekly issues of The China Weekly Review are copyrighted under certificate of registration No. 0953 issued by the Ministry of Interior. Registered with Ministry of Interior of the National Government of the Republic of China, under certificate for newspapers No. 京滬警 250.

THE FAR EASTERN ENGINEER

"The leading Engineering Journal in China"

April

NOW ON SALE

Price per copy: GY500,000

Contents:

New Uses for Rubber
River Engineering
Contact Lenses
Radioelectrical Industry in France
Chemistry and the Atom
Increasing the Output
Civil Aviation
Textile Supplement
Transport Notes
The Students' Corner
Chinese Section
Exhibition News

Obtainable at:

Chinese-American Publishing Co. .. 160 Nanking Road, (E)
Kelly & Walsh Limited .. .. .. 66 Nanking Road, (E)

or directly from the Publishers

THE FAR EASTERN ENGINEER 117 Hongkong Road

characters on the Bank's door: "While meat and wine rot and spoil in the houses of the rich, the poor die of starvation on the open streets." On the beam of the door they wrote "Bank of Corruption." Many of the students carried stones and were ready to smash into the Bank if it failed to meet their demands. They charged the Bank with receiving bribes from the merchants in exchange for cash.

The police told the bank manager that if no cash were given out the students would not care if a second Kunming Blood Incident were to take place. The manager trembled at this threat and was finally persuaded to give them cash plus 1,730 silver dollars. It was later reported that the manager tendered his resignation.

However, this incident had a good effect on the public. Many people were amused to see that the students had repainted the gilded sign-board of the Bank to read "Bank of Calamities." Though it was restored to its original wording the next day, the traces could still be seen.

K. L. YEN.

Kweilin, Kwangsi
May 15, 1949

Difficult Times

To The Editor:

I have been a faithful reader of your esteemed *Review* for more than one year and have always found it to be a source of help to me in understanding the news of the times as well as having the material in your magazine help my study of English.

In the past few months as the tide of battle has turned in China I have noticed indications that your magazine, like so many other enterprises in Shanghai, is probably experiencing difficult times. I notice that the number of pages have been cut down and such features as Chinese Papers and Magazines have been reduced to half a page. It also seems to me that the number of advertisements appearing in the *Review* has drastically fallen off. All of these, plus the fact that press censorship is now being imposed, indicate that each issue of the *Review* is a victory for its faithful readers in the face of the tremendous odds of these terrible times.

As the war develops around Shanghai it apparently is impossible for many of your readers to buy the magazine or even communicate with you via mail. I am sure that many of them are anxiously awaiting the day when it will be possible for them to continue their reading of the *Review*. In the meantime I hope that those of us still fortunate enough to get your esteemed publication can find some means of letting you know our gratification for the continuation of each issue.

T. M. LEE.

Shanghai
May 23, 1949.

CONNELL BROS. CO., LTD.

Established 1898

Importers & Exporters

149 Szechuen Road, Shanghai (O) Tels. 16833-2-1

Head Office: San Francisco

Branches:

New York Bombay Tientsin

Affiliated Companies:

CONNELL BROS. CO. (HONGKONG) LTD.
Hongkong and Saigon

CONNELL BROS. CO. (MALAYA) LTD.
Singapore and Penang

CONNELL BROS. CO. (PHILIPPINES)
Manila, Cebu and Iloilo

EAT AT

Jimmy's

133 Nanking Road

Shanghai

Branch 11-3 Rue Montauban

Silver Postage

To The Editor:

An unreasonable order was issued by the Executive Yuan a couple of days ago which stated that postage rates were to be paid on the basis of silver dollars. Just to the contrary another procedure has been practiced by the Government in paying salaries of clerks and workers on the basis of the Gold Yuan.

Actually the value of silver is much higher than the Gold Yuan; therefore how can the poor public employee, whose income is equivalent to a silver dollar or so per month, be expected to pay such high postage fees? Does the government want to deprive him of his rights of correspondence? The government seems to be monkeying with and mocking the people! Moreover it certainly seems to be casting the GY aside and trusting only in silver. This being so why should the people place any faith in the GY?

Being one of the poor sufferers I took advantage of the chance to send as many letters to friends as possible before the new postal order was put into practice. However, now I am unable to do anything but stop corresponding since I really have no silver to pay for my postage.

WOO MING-YU

May 15, 1949.
Kweiyang, Kweichow,

A Night In Jail

To The Editor:

On the night of May 19 a friend of mine and I were on Nanking Road at 8:45 P.M. in the evening and found out then that the curfew had been changed to 9 instead of 10. We hurried in the direction of Hongkew reaching the Garden Bridge at 9. We debated whether we should spend the night with friends in the Broadway Mansions or try to make the trip home which would take about 25 minutes on foot.

We asked several military guards and policemen on the bridge what we should do and told them that we could spend the night in Broadway Mansions if they thought that this was the wisest course. They said, "Walk quickly, and you will make it all right." Thinking that because the announcement of the change in the curfew hour had been so late there might be some degree of leniency the first night, we started walking very fast. At 9:15 P.M. we were stopped about five blocks from our destination. About a dozen others including several women, pedicab drivers, and small businessmen who were also caught by the late announcement were detained. We had a gun thrust in our chests and were ordered to show our resident certificates, which we did as well as our passports.

After about thirty minutes of very agitated talk all around during which three people were allowed to return to their homes though they too had no curfew passes but because one of them threatened to report the policeman on duty saying that his superior whom she named was a close personal friend of hers, they were allowed to go.

We were taken along to the Ti Lan Chiao station where we were treated as petty criminals. No explanations were permitted. No telephone calls to consulates or friends were allowed. We were shoved into cells; I in one with eight Chinese women caught in a similar predicament and my friend in an adjoining cell with 45 other men. The rooms were about 20 x 12 with a hole in the dirty floor for a latrine. Otherwise the room was completely bare. In the women's cell there was enough room for us to lay down on the floor, but the men were so crowded that they could only crouch which position they alternated with standing all night. The people imprisoned with us were unafraid of the prison guards and taunted them with remarks such as: "You won't be in your jobs long. The Communists will teach you a thing or two!"

Although the curfew lifted at 5:30 a.m. and although the prison was overamply supplied with officials who had nothing to do except chit chat and read the paper for I, from my cell, could look right into their room, they did not release us until 9:30 in the morning. Nor did they offer us even drinking water.

R. Y.

Shanghai
May 21, 1949

Wish Granted

To The Editor:

I am a student in senior middle school. Since I became aware of the importance of the English language, I have hoped to subscribe to *The China Weekly Review*. But my family is too poor, and I have therefore been borrowing it from a schoolmate of mine. Now he can no longer continue his subscription, and I shall soon lose my only opportunity to avail myself of your magazine.

I hope you will kindly try to help me by sending a free subscription to the *Review*.

DANIEL YOUNG

Shanghai
May 11, 1949

(Mr. Young has been sent free subscription through the generosity of a foreign reader—Editor.)

Café Federal

Leading in the field of Good Taste

Daily fresh assortment of

Finest Cakes • Delicious Chocolates

1199 Nanking Road (W) Telephone 35171

Shanghai's American Daily—more than "just a newspaper"

During these trying post-war days, the Shanghai Evening Post and Mercury has slipped into a peculiarly intimate place in the minds and hearts of readers. Perhaps that is because it tries in every way to be as human as your best friend. Read it for true straight news, most of it printed at least 15 hours ahead of other Shanghai papers; for outspoken views; for bright touches and entertainment features which will take your mind off your troubles. For the times, subscription rates are low:

REVISED MONTHLY SUBSCRIPTION RATES

Effective May 18, 1949

Local home delivery	GY14,000,000
Pick up your own paper	12,600,000
China Outports (Ordinary mail)	15,000,000
Single Copy	GY700,000

(Subscription rates subject to revision without notice.)

The Shanghai Evening Post & Mercury

19 Chung Cheng Road, Shanghai (13).

Last Days

To The Editor:

The last days of Shanghai, due to the quick advance of the Communists, may with their exasperating conditions in many respects, be compared with those of Pompei as described in the famous novel.

Since the fall of Nanking everything in this metropolis has been out of gear, especially the currency situation. It is almost impossible for local merchants, especially the small ones, to do business with the "lawful money" as its unprecedented inflation is beyond any one's grasp. Prices change at a moment's notice. Merchants hesitate to dispose of their holdings and people are not willing to keep a large amount of cash even for one hour.

The prevailing conditions cannot possibly continue for any length of time, as most shops and industrial concerns are already in a state of bankruptcy. As a result, business men believe that the sooner stable conditions are established the better, regardless of what authorities will be in control of this city.

Workers, too, are restless. Their jobs are uncertain, and when their wages are delayed even one day it means a loss to them as prices increase as much as 50% per day. Any amount of cash they have for sundry expenses during the current month depreciates in purchasing power.

The Nationalist soldiers have forcefully occupied all local colleges buildings and consequently classes have been suspended, while tens of thousands of young students idly sit at home.

Bureaucrats, the idle rich and top politicians have left or are leaving this war zone for safety in Canton, Hongkong, Taiwan and abroad, while war profiteers, unscrupulous elements are still here, waiting for opportunities to increase their holdings.

Under the present unbearable conditions, every one residing in this metropolis is waiting with folded hands to welcome a new regime in the hope that better and more stable economic conditions can be established so that one may live a normal life.

Y. Y. LEE.

Shanghai
April 30, 1949

When you fly round trip to London or New York

FLY ROUND THE WORLD

It costs very little more when you fly by Clipper*

• See the world on your trip to London or New York. Fly one way . . . return the other way. It costs surprisingly little more than to go and return by the same route!

For instance, you can fly west to London via Calcutta, Karachi, Istanbul and Brussels. You return via New York, San Francisco or Los Angeles, and Hawaii. Or you can fly east to New York and on around the world by way of London and Calcutta.

By Clipper from here to Calcutta or to Hawaii you enjoy Pan American's exclusive Sleeperette* service. Between Hawaii and the U.S. you can fly in the new double-decked "America"-class Clippers—world's largest, fastest airliners.

For fares, trip-planning help, call your Travel Agent or...

General Agents:
C.N.A.C.
Cathay Hotel
Phone 15757

Booking Offices: Phone 19503
Cathay Hotel, Park Hotel and
60-A Nanking Road

PAA

PAN AMERICAN WORLD AIRWAYS
ONLY AIRLINE FLYING TO ALL 6 CONTINENTS

*Trade Marks, Pan American Airways, Inc.

Black Lines

To The Editor:

For some weeks we have not seen your magazine until just now a copy of the April 30 issue came to hand through a friend coming to this city.

What a strange appearance! At first I could not understand it. However, my friend told me that many other papers and magazines and books in Shanghai have something similar which we call leaving an "open window" so some light and understanding may come through. Although you have draw the dark blinds and closed the window, we still appreciate your *Review*. I hope that more of my friends coming to this city will bring me copies.

I must tell you something about our newspapers and other information materials. We have neither "open windows" nor "closed windows." I will show this copy of your valued magazine to my friends here so that they can learn about conditions in other places. I am sure it will surprise them as we have already forgotten about "windows" since we have not seen them for a long time.

Everything is quite satisfactory although we are very busy and do not seem to have enough time in the 24 hours to do all we want or should do. There is much to be done in China today and we must all do our best so that our country can progress as fast as possible. Dear editor, I hope that before long the problem of your "windows" will be solved.

T. L. C.

Tientsin
May 11, 1949

Best Magazine

To The Editor:

Two years ago, one of my teachers said that the best English magazine in our country is *The China Weekly Review* and that students should pay great attention to it. Since then, I have not lost any opportunity to read it.

For the time being, the sky-rocketing prices of magazines and books deprive me of the means of buying your magazine. As our school library no longer takes it on account of its high price, the only way left is to go to a friendly bookstore and read it while standing by, which is really not convenient at all. Therefore I wonder if you could kindly send me a free subscription for three months.

JIAU IN-CHANG WU.

Changsha, Hunan
April 19, 1949.

THE CHINA WEEKLY REVIEW
密勒氏評論報
A Weekly Newspaper Established in 1917

The editorial pages present each week the opinions of the editor. The other pages of The China Weekly Review are written by the other members of the staff and the contributing editors who report and interpret the news irrespective of the views expressed in the editorials.

Vol. 113 Shanghai, Saturday, May 28, 1949 No. 13

Jap Reparations---One More Step

AS was to be expected, the United States' decision to halt removal of Japanese industrial plants as reparations payments to the Allies has brought forth a great amount of adverse comment among nations of the Pacific. The original announcement, which came from Washington, gave as an excuse the "fact" that the Japanese economy could not stand any further removal of industrial machinery and that the United States, which has already spent more than US$1,000,000,000 on Japan since the end of the war, felt justified in stopping removals.

Whether or not the United States is justified in this action, the fact remains that she has the power to take this step. Major-General Frank R. McCoy, American representative on the 11-nation Far Eastern Commission, in making the American decision known, told the other Commission members that the US will oppose any proposal to revive reparations payments. Since the US has a veto power on all Commission proposals, the answer is obvious.

While McCoy's statement, made in Washington on May 12, mentioned the shaky economic position of Japan as justification, plus the fact that some of the plants and machines already earmarked as reparations are lying on the docks awaiting action by dilatory recipient countries, a *United Press* story from Tokyo on May 13 gave a little more information: "Informed observers today said the desire to stop handing former Japanese arsenal equipment over to the Chinese Communists was a big factor in the US decision to halt interim reparations removals from Japan. China has been receiving one-half of the reparations equipment taken by four Far Eastern claimant nations. Much of this equipment has fallen into Communist hands in the Red sweep southward and Communist capture of Shanghai would give them another big block of China's share."

Thus, we have two excuses or reasons why the United States decided to take such a drastic, unilateral step at this time. However, a review of American policy in Japan since VJ Day makes one doubt if these two reasons are actually of sufficient importance to cause this action. More likely, it appears that this move is merely another step in the American program of rebuilding Japan. Certainly, it fits into the pattern so well established since VJ Day.

When General MacArthur landed in Japan he was under instructions to turn Japan's economic, social, and political systems inside out. Economically, Japan was to be stripped of all of her war-making potential, through destruction of fixed military and naval installations and by removal of military and various other heavy industry establishments as reparations to China, the Philippines, and other Asian areas ravaged by the Japs. Further, the economic "system" was to be modernized, in that the feudal set-up whereby workers were treated as slave labor in Japanese industry operated and controlled by a small group of zaibatsu families was to be changed. Socially, there was to be modernization and reform, both in agriculture and industry. Politically, the growth and development of independent political parties was to be encouraged.

For a short period, the occupation authorities made moves toward accomplishing these goals. However, it was not long before it became evident to all reasonable and objective observers that the occupation was becoming more and more conservative in its general outlook. For example, while labor was encouraged to unionize at first, laws restricting the right to strike were soon passed by the Japanese Diet at the instigation of SCAP. In virtually all fields this turn to the right was evident.

Nowhere is this change in policy more evident than in the way reparations have been handled. While the first plan had been to reduce drastically Japan's industrial potential, an argument immediately arose over the extent to which this should be done.

Early in 1946 a reparations mission headed by Edwin W. Pauley was sent to Japan to study the question. The Pauley Mission recommended the destruction and/or removal of war industries, the reorganization of the country's industry so that it no longer would be "top-heavy" with heavy industry which the nation required only for war preparation. Pauley also argued that Japan's overall industrial potential would have to be greatly reduced if she were to be prevented in the future from again attaining a position of economic dominance over the rest of Asia. He suggested that extensive transfers of plant from Japan to other countries of Asia would effectively prevent recurrence of the old pattern in this part of the world.

A great deal of argument between America and the other nations developed following the Pauley report. At that time many people thought it too lenient toward Japan. In retrospect, however, it appears—by comparison with later recommendations — extremely vigorous. Gradually considerable opposition to Pauley's "drastic" proposals was built up, and Secretary of the Army Kenneth Royall hired a group of men called Overseas Consultants, Inc., a group of leading American engineers, to make a study of the problem. The report prepared by this

group envisaged far less removals of plant capacity. They justified their lenient recommendations by saying, "in our opinion, a strong industrial Japan would be less dangerous to the peace and prosperity of the Far East than a continuance of the present state of instability and economic maladjustment in this vast and populous region."

PREMIER YOSHIDA

—*Asahi Shimbun*, Tokyo

However, the Overseas Consultants' report had hardly been published before it, too, was declared to be too drastic and Major-General Draper, under-secretary of the Army, accompanied by a group of American businessmen, including Paul Hoffman, now chief of ECA, toured Japan to make an additional study of the reparations question. Actually, US policy was moving toward the right at such a speed that each report appeared too "vigorous" by the time it was finally written. Draper, it will be recalled, is the man who initiated the present policy of leniency toward German heavy industry and cartels. As can be imagined, Draper's report recommended the retention of virtually all Japanese industrial plant. Its conclusion, in part, was: "Plants which are needed in bringing about the recovery of Japan should be retained and only excess capacity removed.... In our opinion, the capacity that can be spared without affecting Japan's useful peacetime productivity is not great."

The following table, compiled by the Foreign Policy Association from figures submitted by the three reports, is quite revealing:

RECOMMENDED REMOVALS FOR REPARATIONS

(in thousands of 1939 yen)

	Pauley Mission	Overseas Consultants	Draper Committee
Industry total ..	990,033	172,269	102,247
Primary War .Facilities .	1,475,887	1,475,887	560,000
Grand Total	2,465,920	1,648,156	662,247

* * *

WHEN one examines the record of discussions, proposals and counterproposals regarding Japan's reparations during the past three and a half years, the tendency toward reducing Japan's payments is clearly seen. This latest move of halting all reparations removals, whether prompted at this time by a desire in Washington to economize or by a fear of increasing the industrial and war potential of a Red China, is quite in line with past actions when these two considerations were not of particular importance. The only step now left is to send a fourth mission to Japan which will recommend the restoration of all reparations materials already granted to Japan's victims and which will propose the country's inclusion in the Marshall Plan and in a Pacific counterpart of the Atlantic Pact, so that every effort may be made to build up our recent enemy's industrial economy and resurrect her military establishment.

Europe's Prospects

IN two recent issues we discussed some of the more apparent shortcomings of America's overall policy toward Europe, pointing out that it was difficult to reconcile a program of developing Europe's native industry, a program of disposing of surplus American products, and a policy of forcing European countries to shoulder arms programs which they could not afford. We also touched upon the disruptive economic effects resulting from the insistence upon political considerations, specifically noting that the artificial division of Eastern from Western Europe might alone spell the doom of America's whole economic, political and military plan for Western Europe.

This subject of American activity in Western Europe, we believe, is of utmost importance to our readers, although the vast majority of them live in the Far East. Direct repercussions are being felt in many of Asia's colonial and semi-colonial lands. Even in China we may be forced to react one way or another because of something America does in Europe. There is, in our view, a danger that we may be prone to dismiss as not important, as far as we personally are concerned, some new decision of the United States which has specific reference to Europe. However, if America's policy in Europe results in another world war, or even in another world depression, we will feel the effects soon enough.

One of the most frequently stated objectives of America's policy toward Western Europe is to restore the economy of the various individual nations so that their production will rise and so that there will be more goods of all kinds for the people of the world. To attain this goal, the US has, under the provisions of the European Rehabilitation Program, spent and agreed to spend several billions of dollars. On its face, this is a sound move. However, the US has several other motives which it wishes to implement by the expenditure of this money. First, it wishes to fight communism. It hopes that if the plan for increasing production is a success, the standards of living in Western European countries will thereby be raised and the common people will tend to be satisfied with their lot and not become easy prey to the exponents of socialist economy. Second, it wishes to find markets for certain products which are in over-supply in America so that the American productive machine can continue to follow a path of gradual expansion which will prevent depression in the United States. Third, it wishes to weaken the Soviet Union by preventing

the expansion of socialist ideology, by forcing those countries of Eastern Europe which have already accepted socialism to give it up and repudiate Russia's leadership, and by erecting in Europe a series of strong military states whose governments, friendly toward America, will then automatically be antagonistic toward Russia.

Since the prime, or at least the publicly emphasized, objective of the ERP is economically sound insofar as it aims at raising production, it could have a more than even chance of success if it were not encumbered with these three other objectives which, because they follow the dictates of narrow partisan politics, ignore economic and other realities.

The expression of such an opinion as this is extremely unpopular in America today and by doing so one runs the risk of being labeled a communist or a fellow traveler. The reason for this is obvious. The powers that be, who are also the people who have conceived this whole impossible program, naturally do not enjoy criticism of their plan. The mere fact that they are making such frantic and illogical efforts to tie various anti-communist measures into the recovery plan, is in itself an indication of their hysteria and their inability to approach world problems realistically.

It should also be remembered that these people have been elected by the American public and if their program fails, they surely will be turned out of office by an electorate which, although a great deal poorer, will be considerably wiser. Thus, while these makers of American foreign policy frantically search for temporary remedies to shore up America's rapidly collapsing foreign policy, they at the same time scream of the internal red menace in an effort to still criticism at home.

However, facts have a nasty habit of making themselves noticed, despite all efforts at concealment. There is information available, the sources of which cannot be impugned, which indicates the weak spots and how they are growing. However, this information has to be searched out from the back pages of newspapers and magazines. Sometimes, only a small piece can be found, buried at the bottom of a speech or report. When the pieces are assembled, though, the picture becomes quite clear. The whole program is impossible. More and more American money will have to be funneled into Western Europe so long as the basic policy remains unchanged. The end will come when there is no more money to be had.

An *Associated Press* dispatch from Geneva, Switzerland, on May 7 serves to emphasize the fact that, despite the optimistic assurances given by ERP officials, a solution for Europe's problems is not in sight. *AP* reported: "Europe will remain dependent on American capital for many years, a United Nations economic review says. The review said European industry has recovered with remarkable speed and will soon be as highly developed as if the war had never occurred. But, in spite of this recovery, it held the general economic outlook is poor because of a persistent dollar shortage and the almost total absence of integration of the economic plans of the various European nations."

"FIVE MINUTES TO TWELVE"

—*Rheinische Post*, Duesseldorf

Continuing, the *AP* dispatch reported: "The survey reviewed all aspects of Europe's economic life during the last year and the prospects for the future. It included the first official United Nations appraisal of the European Recovery Program, as well as outspoken criticism of 'interference and restriction in trade' for political reasons on both sides of the iron curtain." In conclusion, the dispatch said: "Despite continuing progress, the probable improvements in the next 10 years are unlikely to bring about a solution of the 'basic problem of Europe—the severe poverty in which the majority of the European peoples live,' the survey declared."

Here we have an official organ of the United Nations reporting that although considerable progress has been made, there is little prospect for real improvement for 10 years and that, during that period, Europe will continue to remain in need of American aid. Contrast this report with the recent speeches of various ERP officials and prominent American statesmen and congressmen who have been telling the American people that the "battle" is being won and that "another year or two" should see" victory."

Another *Associated Press* story from Geneva on May 6 reported: "A United Nations commission contended today that the European Recovery Program is hurting Europe's economy more than it helps.... In 100,000 words the commission said European nations, striving for an economic comeback, are tripping over their own isolationism and that the ERP is aggravating the situation."

Both of these stories, carried by the same well-known American newsagency, mention the lack of economic cooperation between the nations of Europe. This economic isolation is viewed as a main barrier to economic progress. What do these stories mean by "isolation?" Why are the countries failing to "integrate" their economic plans? Neither gives the answer and the reader is presumably left to imagine that it is pure cussedness or stupidity on the part of the Europeans which prevents them from putting their heads together and working for a common goal.

However, an earlier story, also by *AP*, may give a clue. This story, written from Paris by Daniel De Luce on April 22, says in part: "American economic warfare against Soviet-dominated Eastern Europe is hurting economic

recovery on both sides of the iron curtain. But United States officials insist that this is an unavoidable price which Western Europe must share in return for enhanced security from Russian military aggression....

"The adverse effects on Western Europe from the American-directed campaign are difficult as yet to judge (The UN report said economic 'isolation' would delay recovery for 10 years). But the net result is to block indefinitely a revival of Europe's historic pattern of trade: the exchange of Western manufactures for Eastern raw materials.... The basic weapon against seven iron curtain countries, ranging from tiny Albania to the giant Soviet Union is a secret list of banned exports prepared by industrial experts in the United States. An enforcement agency of the taboo list is the Economic Cooperation Administration, which also controls the multi-billion aid that the United States gives for Western Europe's recovery.

"There is a public ban on military exports to Eastern Europe, including jet engines, radar, bomb sights. But the secret ban is even more important. It covers virtually every category of Western mode heavy industrial equipment, plus things like spare parts for automobiles. Men who enforce the secret list admit that 'the defining line is hazy at times.' Such a staunch ally as Britain, an old master at economic warfare, has argued about certain items tabooed by Americans. The Swedes, the Dutch, the French, and the Swiss have opinions of their own, too.... The United States seeks to have Western Europe hold back banned goods from Eastern Europe (even) if they are made from non-ECA supplies...."

—*Mai Kan.*

Read all at one time, these three stories make quite a bit of sense. First, the United Nations, in an economic review and in a special committee report, lament the poor prospects for European economic recovery, placing a major part of the blame upon lack of cooperation between the different countries. From an earlier story we learn that this lack of "cooperation" is dictated by the US which hopes to cripple Russia and Eastern Europe by an economic blockade. The ability of the US to enforce this blockade, even when it involves non-ERP materials, is gained through control of the purse strings of the billions of relief and rehabilitation funds currently going to Western European countries. Thus, we can see one contradiction in which America has got itself involved. With one hand it ladles out funds to help Western Europe recover its economic footing, while with the other it enforces a political policy causing a dislocation of European trade which results in increased economic chaos in Western Europe.

While the United Nations reports quoted in the foregoing indicate that some progress toward recovery is being made, it is interesting to see the exact extent of this recovery. The United Nations, surveying Europe as a whole, says industrial production rose by 16 percent and agricultural production by 12 percent during 1948. This looks like a pretty good gain, but it should be noted that these figures are for Europe as a *whole*. Official UN figures for each country were not given in the press agency version of the report, although some were. One was the Soviet Union, which experienced an industrial production rise of 27 percent and a return to the prewar level in agriculture. The other was Germany, of which the dispatch said: "A major contribution to the increase in European production was a 'spectacular recovery' in the western zones of Germany, where output reached 64 percent of the prewar level at the close of the year."

Thus, one might be inclined to suspect that some of the countries perhaps did not register very much of a rise in industrial and agricultural production. The great increase in both Russia and Germany undoubtedly raised the all-Europe average considerably.

However, we do have an unofficial survey of general economic conditions in 12 Western European countries which was made by the *United Press* and released for publication on May 9. After a preliminary statement in which it is claimed that Western Europe is well on the road to economic recovery, the *UP* takes up each country individually. "Italy," says *UP*, "with 2,000,000 registered unemployed out of about 15,000,000 available workers, is worst off. There is virtually full employment in Scandinavia. In Turkey fruit is rotting on the trees and bushes because of the manpower shortage due to the necessity of maintaining a big army."

Great Britain officially registered a total unemployed force of 360,300 or 1.8 percent of the labor force as of mid-February. However, *UP*, thinks that the proper figure is more likely to be about 2.4 percent because of technicalities about the method of reporting the labor force figures. This situation is not altogether pleasing to the British Government, *UP* continues, because "the unemployment totals for January, 375,700, and February are higher than for any month last year." In short, unemployment appears to be increasing.

Eire registered 80,416 out of a labor force of 3,000,000 in March. This compares with a postwar peak of 81,765 in February, 1946. In France unemployed numbered 29,366 on February 1. This compares with 8,566 on February 1, 1948. Indications are that unemployment is rising. Belgium feels hopeful with present unemployment standing at 225,350, about 10 percent less than the postwar peak of a few months ago. In the Netherlands there are 53,900 unemployed, compared with 36,700 a year ago. The

Netherlands' figures do not include 2,000 workers receiving unemployment pay from employers, nor 29,800 people taken from the unemployed rolls and given part time work on government projects such as reclamation.

The *United Press* survey, which reports an unemployment problem in virtually all Western European countries which it surveyed, and growing unemployment in some, seems in a sense to contradict itself since its opening paragraph said economic conditions were relatively stable and things looked hopeful.

It thus seems reasonably obvious that Europe's economy, while possibly not seriously on the down grade, as of the end of last year, was actually not making the progress which one might have expected after reading the glowing accounts of ERP progress made by various Washington officials. The struggle was still touch and go, despite the billions already spent.

Since last December, however, something new has been added. That is the Atlantic Pact which calls for the arming of Western European countries in an effort to provide a military bastion against Russia. A few official ECA figures should be of interest, since they indicate that at least part of the money to be used for the armaments program will come out of funds originally earmarked for economic recovery.

In Greece this process has been going on for some time. Originally, US$48,000,000 was provided for Greek economic rehabilitation. However, as the military campaign against the Greek Guerillas bogged down, this figure was repeatedly reduced, with the money thus saved applied to military expenditures. The present figure for rehabilitation, according to President Truman's latest report to Congress, is US$20,500,000. The same thing is happening in France. The latest "country study" by ECA shows that the French budget has been whittled down by 110,000,000,000 francs. Most of this reduction came from the fund set up for modernization of French industry. At the same time, France's military budget, originally put at 320,000,000,000 francs, has now been raised to 350,000,000,000 francs. The significance of this reduction of economic recovery and rehabilitation funds and increase of military funds was pointed out by the OEEC interim report on European recovery, published in Paris in December, 1948, by a committee made up of Marshall Plan nations. It warned that the continuation, or increase, in international tension would change the whole economic picture. This "might well lead to expenditure (for military matters) far in excess of any possible economies in the field of civil administration.... To cut down the plans of investment is to accept defeat."

In Holland, even before the effects of the Atlantic Pact were felt, the situation was extremely grim. ECA reports state that last year military expenses were the single largest item of the Dutch budget. The Dutch last year cut food subsidies in an effort to bring the budget into closer balance. However, military expenditures—not counting the funds expended in Indonesia—have risen from 694,000,000 guilders in 1948 to 757,000,000 guilders in 1949. This is a rise from 17 to 21 percent of the national budget.

One other aspect of the European situation which needs mentioning is the part which private enterprise is supposed to play in rehabilitating Europe. Various American and European officials have made it clear that they hope and expect that private business interests in the United States will, in partnership with native European firms, invest capital in Western European industries. The difficulties being met in attempting to lure private capital to Europe have been fairly well reported in the press. The most recent story dealing with this point was an *Associated Press* dispatch from Washington on May 4 which said that former US Under Secretary of State Will Clayton told the Senate Foreign Relations Committee that "on balance Russia is winning the cold war. Soviet Russia's principal objectives in the cold war are to frighten democratic governments into excessive expenditures for defense, and to frighten private capital and initiative so that it will not operate freely." The European Recovery Program is doing "well indeed," he said, but the job of setting Europe on its feet must eventually be borne by private enterprise—and private enterprise is afraid to operate in Europe because it lacks confidence in European currencies. "Even with ECA," Clayton continued, "Europe will not be in balance with the rest of the world by 1952, nor in all probability by 1962, unless the democracies radically alter their present course." He said the Atlantic Pact is a necessary step, "but, make no mistake about it, the cold war will go on with perhaps greater vigor than heretofore."

Thus, it would seem that Clayton, one of the men who guided ERP in its formative stages, is rather gloomy about the future. However, his predictions of increased intensity in the cold war may lighten the worries of some groups in America who have been concerned lest the cold war ease off. Murray Shields, a New York banker, was reported by *AP* from Washington on May 6 to have told the US Chamber of Commerce that American business is in for a readjustment which, "unless the cold war gets hotter, may be fairly serious."

I. F. Stone, writing from Washington for

"THE EXPERIMENT"

—Philadelphia Evening Bulletin

the *New York Post*, sees little hope of enticing American businessmen to invest in Europe. It's too risky, he says. "To make long-term investment in Western Europe advisable requires reasonable assurance of three conditions. One is that there will be no military aggression by the Soviet Union. The second is that there will be no Communist revolution inside the country where the investment is to be made. The third —and this is the one we forget—is that there be no war between the USA and the USSR. If war comes between the US and the USSR, not a nickel invested in the areas between them will be safe. This is where we come to the fatal weakness of a one-sided guarantee (Atlantic Pact) by the US against military aggression.

One may well ask if it is not the intention of the Atlantic Pact to build up a military force in Western Europe which will be formidable enough to dissuade Russia from aggression and which, if Russia should attack, would be strong enough to repel her. The official figures, as provided by the State Department to Congress, are not such as to inspire confidence in those anxious to have a show-down with the Russians. It is planned to build up 60 divisions in Western Europe at a cost of between US$12,000,000,000 to US$15,000,000,000. One wonders just how much use these 60 divisions, even if reinforced by the planned ready force of 25 American divisions, would be against the Soviet Union which has a maximum strength of 500 divisions? It seems unlikely that, Atlantic Pact or no Atlantic Pact, Russia could be prevented from occupying Western Europe in the event of war.

How much longer America can pursue her present policy is a question impossible to answer now. However, it is obvious that, from the facts cited, the road is down hill and must reach the bottom sooner or later. The end may come when Europe's economy collapses and the people change their governments. If this is the way it happens, it may not be too far off, since it is doubtful whether the American taxpayer will stand for the increased burden necessary for subsidizing all of Western Europe. Senators Connally and Vandenberg have declined to accompany Secretary Acheson to the Big Four Meeting on Germany, saying, according to a *UP* story from Washington on May 9, that they will stay in Washington to press for early Senate ratification of the North Atlantic Pact and official action on the US$1,130,000,000 arms-for-Europe proposal which accompanies the Pact. Thus, another billion has been added to the American tax burden. How many more billions can the administration levy before the economy collapses? If the money were spent for capital improvement or for a better economic life for the American people — or even for economic betterment of Western European peoples who would thus automatically become bigger customers of the US—the process might continue more or less indefinitely. However, as things stand now, this money is being squeezed out of past, present, and future surplus earnings of the American worker and spent on almost totally unproductive projects.

25 Years Ago in *The China Weekly Review*

Chief News Of Interest

May 24, 1924

Next to the interest aroused by the arrival of the American and French aviators in the Far East this week.... Peking's offer of coming to an agreement with Marshal Chang Tso-lin, warlord of Manchuria, and the disproof of Sun Yat-sen's death and his arrest of a Cantonese newspaperman for having spread false reports have occupied chief interest in the Orient in the days just elapsed.

* * *

New Cantonese Army

A change in the Canton situation is expected upon the return of General Hsu Chung-chi, who is reorganizing the Cantonese Army and concentrating his forces along the West River with Kongmoon as the general headquarters. It is believed that a strong native army will influence the discipline of the non-Cantonese mercenaries who are running the towns and cities with utter disregard to the sentiment and institutions of the local inhabitants, not mentioning the many objectionable taxes put on the public.

10 Years Ago In *The China Weekly Review*

Moves Against The Press

May 27, 1939

Imagine a situation where the police authorities of the Settlement had raised no objection when Japanese-fostered publications accused Britons of unnatural crimes and practices and called for the elimination of all Britons from Chinese territory, yet on the other hand suppressed pro-foreign Chinese newspapers for publishing an address delivered by the head of the recognized government of the country.....The unusual action of the police authorities cannot be explained except on the grounds of fear of the Japanese or sympathy with the Japanese program to eliminate all independent expression of opinion within the foreign settlements which does not accord with the program of the Japanese General Staff..... The fact that foreigners have been able to maintain the independence and neutrality of the Settlement has been due, largely, to the fact that the Chinese population has supported the foreigners. And the reason the Chinese population has been able to preserve its unity against Japanese intrigue, bribery and intimidation, has largely been due to the courageous Chinese editors who have stood their ground against Japanese efforts at intimidation.

* * *

China's Appeal To Geneva

China's appeal for international aid again figures prominently in the present League Council meeting at Geneva, but in the light of past experieces it is doubtful whether the League can really do much to further China's cause against aggression. It would not be surprising to find the Council reiterating its sympathy for China and passing another resolution urging member states to aid her. What interests the Chinese at present, however, is not a renewed expression of good will or further verbal protestations of sympathy, but real action in carrying out past League resolutions.

Sounds Familiar, Somehow

"Panayottis Kanellopoulos, Greek war minister, today foresaw a final victory over the guerrilla forces this year"—*Reuter* dispatch from Athens on May 18.

Perhaps it was three months and the guerrillas were not in Greece.

REPORT TO YOUTH LEAGUE CONGRESS

Jen Pi-shih

(Member of Central Executive Committee, Communist Party of China)

JEN PI-SHIH, a member of the Central Committee of the Communist Party of China, delivered a report at the first All China Congress of the China New Democratic Youth League in which he analyzed the current situation in China and pointed out the tasks of the Youth League and the direction it should take.

The salient feature of the present situation, Jen Pi-shih said, is the basic defeat of the reactionary ruling forces of the Kuomintang by the people. No matter whether the method of peace or war is used, it will not be long before the People's Liberation Army wins a nation-wide victory.

Final efforts must be made to realize this victory, he continued, while, at the same time, greater efforts must be put forth to begin the construction of a new democratic state. The foremost task of this construction is the rehabilitation and development of industrial and agricultural production, particularly industrial production, so as to consolidate China's independence and unification.

KMT Combat Power

After failing to weaken and exterminate the Eighth Route Army and the New Fourth Army during the Sino-Japanese war, the Kuomintang reactionaries launched an all-out civil war after the Japanese surrender with the help of American imperialism. At that time the Kuomintang land, air and naval forces totalled 4,300,000 men. But in two years and nine months, up to last month, the People's Liberation Army has altogether destroyed 4,900,000 Kuomintang troops. At present, the total KMT military strength has dwindled to 1,100,000 combat troops and several tens of thousands rear service troops. Many of these remaining combat troops have been reactivated once, or more than once, after having been routed, and their combat power is very low. They are, moreover, dispersed over a vast territory stretching from Tihwa in Sinkiang province to Taiwan island.

The People's Liberation Army, on the other hand, has grown from more than 1,000,000 to more than 3,000,000 strong. Its equipment now is not in the least inferior to the best American equipment of the Kuomintang troops. With the victories of the People's Liberation Army, the territory of the liberated areas has grown to 2,601,000 square kilometers or 27 per cent of China's whole area. All Manchuria and areas north of the lower and middle reaches of the Yangtze river have been practically liberated. The population of liberated China has reached more than 200,000,000. Land reform has been thoroughly carried out in an area with more than 100,000,000 population, and landlords as a class have been eliminated in this area.

Light and heavy industries and railway transport in these vast liberated areas have a considerable basis. These areas possess very important resources of a strategic nature such as coal, iron, grain, cotton, salt, oil and lumber. In these areas there are 3,000,000 members of the Communist party of China and millions of members of various workers', women's, youth and other mass organizations.

Industry and agriculture in the liberated areas are beginning to be restored, while finances and prices are more stable than in Kuomintang areas.

> This account of Jen Pi-shih's address to the first All China Congress of the China New Democratic Youth League, delivered April 11, was carried by the *New China News Agency*. Because of its significance as an outline of Communist plans for the reconstruction of China, we are reprinting it on these pages. It was scheduled originally for an earlier issue, but because of the censorship imposed by the Nanking - Shanghai - Hangchow Garrison has been delayed until now—Editor.

Isolated From People

As a result of military defeats, the Kuomintang is crumbling and disintegrating both politically and economically day by day. The "gold yuan" which was issued recently has dropped to the position of the former Kuomintang Chinese National Currency. American imperialism and the Kuomintang have never before been so isolated from the Chinese people. All middle of the road forces who wavered formerly are already standing closer to the people. The reactionary rule of the Kuomintang has been essentially defeated by the Liberation Army, and no aid of American imperialism can avert its doom.

Jen Pi-shih pointed out further that the final elimination of the remaining Kuomintang reactionary military forces and ruling machinery, for the attainment of a nation-wide victory, is the task of the Chinese people today. Two methods can be used to solve this problem, he said. One is that of war, or the Tientsin method, and the other is a peaceful settlement according to Mao Tse-tung's eight point peace terms, or the Peiping method. Should it be necessary to resort to the first method, the People's Liberation Army will surely be able to wipe out more than 1,000,000 Kuomintang troops within six months to one year.

"We, however, welcome the second method," Jen Pi-shih said, "but at the same time it is necessary to prepare for the first one. And only by striking severely at groups resisting a peaceful settlement can a peaceful method be won to solve the China question thoroughly.

"No matter which method is used," he emphasized, "we must strive to make the Nanking government give up its powers swiftly so as to convene a new Political Consultative Conference, create a central government of the democratic state and effect the complete liberation and unification of China."

From this it can be seen that the nation-wide victory is not far off, he continued. This victory is of extremely important historical significance for China and the entire world. It will bring about a change of important significance in the balance of strength between the democratic and anti-democratic forces.

Victory First Step

Jen Pi-shih then cited Chairman Mao Tse-tung's words: "The wresting of a nation-wide victory is but the first step of a long march." He stressed that, as Mao Tse-tung pointed out, the "sweeping away of imperialism, feudalism, bureaucratic capitalism and the Kuomintang rule from China will still not solve completely the question of China's independence and sovereignty. Only when the economy has been broadly developed, only when the country has changed from a backward agricultural land into an advanced industrial country and is independent of foreign countries economically can this question be finally solved."

China's industries suffered considerable destruction during the war against the Japanese and the three years of civil war. To make China wholly independent economically not only must efforts be made to restore damaged industries within three to five years but industry must also, in a planned manner, be raised from about 10 per cent of China's economy to 30 or 40 per cent within 10 to 15 years. This is necessary to turn China into a country with a large-scale machine-building industry capable of producing machines, cars and vessels for developing factories, mines and communications. Moreover, China must have her own industry which can manufacture the guns, tanks and planes necessary for national defense. By that time it can be said that China will not only be independent economically but also will have the strength to protect her sacred frontiers.

Jen Pi-shih pointed out that only when industry is developed, production technique raised, the cost of production cut down and large quantities of output produced, can the living standard of the working class

and people be gradually raised. Only then can an alliance between workers and peasants be consolidated, the role of the cities in leading the country be given full play and a powerful economic foundation laid for the future change to socialism.

In the process of industrializing China, he said, efforts must be made first of all to provide state-owned enterprises, which have a socialist character, with all conditions for swift development. Hence, capital must be accumulated for investment in stated-owned enterprises, the old technical personnel must be reeducated, and hundreds of thousands and millions of new capable engineers and technicians of all kinds must be trained.

At the same time, he said, private enterprises which are beneficial to the national economy should be allowed to exist and grow during the rehabilitation and development of industry.

Center Of Gravity

He pointed out that, under the new situation, the period of placing the center of gravity of work in the countryside is now over. A new period has begun of working from the cities to the countryside and of leading the countryside from the cities. During the advance of the People's Liberation Army south of the Yangtze river, the cities will be reached first and the work extended from the cities to the countryside. The central link of work in the cities is the rehabilitation and development of production, and all other work must center around and serve this task.

At the same time, rural work must not be neglected. Urban and rural work must be well coordinated. As scattered, individual agricultural economy occupies more than 90 per cent of China's economy, the peasants must be depended on to produce large quantities of food and raw materials. Great efforts must be made to lead the peasants to improve agricultural technique, irrigation, seeds and fertilizers in order to raise agricultural output. Production, consumers' and marketing cooperatives required by the peasants must be organized in the villages. Agricultural output must be raised because agricultural products are also needed to exchange for the machinery from abroad necessary for rehabilitating and developing industry.

Jen Pi-shih also pointed out that although nation-wide victory is near, 10 to 15 years of intensive work will be required to consolidate the victory. But though the old society left a legacy of poverty and backwardness, he added, there are grounds for believing that China's economic construction will be swifter than that of the Soviet Union after the Great October Revolution because China has an industrious population of more than 400,000,000, the leadership of the Communist party of China, the leader of the Chinese people, Mao Tse-tung, and the assistance of the Soviet Union and the working class in various countries.

Touching on the international situation, Jen Pi-shih said that the democratic front headed by the Soviet Union is growing stronger day by day. The world democratic camp is clearly stronger than the anti-democratic camp, while the difficulties of the anti-democratic camp headed by the United States are growing. Though American imperialism is employing the method of creating a new war terror to keep off a domestic economic crisis, he said, signs of the crisis are nevertheless appearing.

The victory of the Chinese revolution will break the imperialist chain in the East, he continued. Under the influence of the Chinese revolution, several hundred million people in Southeast Asia are already waging a heroic struggle.

Mai Kan

International Outlook

Even if the imperialists really instigate a war, he said, the people's democratic forces in the world are sure to vanquish the imperialist forces. All this indicates that the international situation today is favorable to the smooth development of the Chinese revolution.

Jen Pi-shih next dwelt on the youth movement in China. He described the historic significance of the establishment of the New Democratic Youth League of China and declared that the Central Committee of the Communist Party of China and Chairman Mao Tze-tung are attaching great important to it. Jen Pi-shih stated that youth workers, peasants and students of China have heroically stood at the forefront of the struggle of the new democratic revolution. Thirty years of contemporary history have proved that the Chinese youth movement is an important constituent of China's revolutionary movement, he said.

Jen Pi-shih pointed out that without the mobilization of the entire people the fulfilment of the tasks of bringing the revolution to nation-wide victory and the construction of a new China would be impossible. In mobilizing the strength of the people emphasis must be laid on mobilizing the strength of the youth. Youth must be mobilized to participate actively in and support the final expedition of the People's Liberation Army—the crossing of the Yangtze river—and also to take part in various construction work, especially the rehabilitation and development of industry and agriculture, he said.

Youth Movement

To strengthen the leadership of the youth movement, the Communist party of China decided on January 1 of this year to establish a nation-wide unified organization of active elements of the masses of youth—the New Democratic Youth League of China. Jen Pi-shih pointed out the pressing necessity of such an organization in the present victorious situation. The social basis of the New Democratic Youth League should, however, be wider than the Young Communist League of the past. Although its main basis should be young workers, peasants and the revolutionary intelligentsia, the League must also unite all progressive youth of the various strata of the country and absorb the cream of them into its ranks.

Within the League education in Marxism and Leninism should be carried out systematically. This will enable each member to possess a revolutionary dialectical materialistic outlook on life and a standpoint of serving the people, as well as allowing him to understand the laws of social development and consciously struggle according to those laws. Such a New Democratic Youth League will inevitably become the strong assistant of the Communist party of China and the democratic government in the final settlement of the enemy and especially in the construction of the new democratic China.

Jen Pi-shih further declared that the correct leadership of the Communist party over the New Democratic Youth League is the decisive factor for the correct development of the youth movement in China. The past 30 years fully demonstrated that the Communist party of China has been the best leader and protector of China's youth, he said. Every brilliant success of the great youth movement has been inseparable from the correct leadership of the Communist Party of China.

No Qualms About Trade

San Francisco businessmen polled by the *United Press* in early February "expressed no ideological qualms about doing business with a Communist regime," according to a *UP* report. "Some believe that a new government might stabilize China's currency and revitalize her transportation, providing a much-needed shot in the arm for trade."

The Philippines Mounting Nationalism

Andrew Roth

Manila.

ALTHOUGH the leaders of the governing Liberal Party are committed to an economic and political alliance with the US, there is a mounting feeling of nationalism in the Philippines. It is a nationalism which seems to be compounded of a series of irritations.

It is partly an anti-Western feeling. Although Americans are usually not as colonial-minded as most other Westerners, they did bring their color line with them. Even today a Filipino cannot become a member of the Army-Navy Club. This feeling of racial discrimination frequently expresses itself in such attacks on the Marshall Plan as: "America is favoring the Big White Brothers of Europe and forgets its Little Brown Brothers."

This sensitivity on color discrimination has jet-propelled the "Gamboa Case" into a major issue. Gamboa, a Philippine-born US citizen, has been denied admission to Australia because of his brown skin, although his Australian wife and child reside there. Many Filipinos insist that Australians be banned from the Philippines.

Filipinos recently have shown themselves very sympathetic to the plight of the Indonesians. They blame the US for not preventing the Dutch from attacking and for continuing to give them ERP aid.

There is also a considerable irritation with the US for what is considered to have been insufficient payment for war damages. Since the Philippines were attacked while under American protection the US was morally obligated to rehabilitate the Philippines and promised to do so. But while a billion dollars of damage was done, the US Congress only set aside $620,000,000 to pay for it. And Filipinos frequently claimed much more damage than was really done, with resultant friction. There was also a lot of bitterness created over recognizing—and thus giving back pay—to guerilla forces. Many more claimed to have fought than actually did so. The result, frequently, was that those with political influence were paid off while many who actually fought, particularly the leftist Hukbalahaps, never received any pay.

Resentment toward the US has also flowed from what is considered to be a policy of favoring the reconstruction of the aggressor, Japan, over the victim, the Philippines. The popularity of General MacArthur here has declined considerably and he is frequently referred to as a "Scapanese" or the "Star-Spangled Mikado."

Much of this nationalist resentment is being channeled into support of Jose Laurel, candidate for Presidential nomination on the Nationalists ticket in the November, 1949 elections. Puppet President of the Philippines in the Japanese period, Dr. Laurel claims that he is "misunderstood" and points to the fact that the Japanese jailed him for a year in Sugamo prison.

There is little doubt that, while favoring the American side in the present "cold war," rightwing-nationalist Laurel does not believe in economic subservience to the US. Unlike Liberal Party contenders Quirino and Avelino, he attacks the Philippine Trade act. Furthermore, he is also considered honest. His election chances are enhanced by the tendency of Communist-influenced Filipinos to swing into his camp because he is considered to be more anti-American than his opponents.

This does not mean that a Laurel victory in November will mean a basic change. Not only the economy but politics here is dominated by American orientated landlords, and if Laurel is elected it will be because he secures the support of the landlords, who are overwhelmingly committed to dependence on the American market.

The only chance for a basic change in the orientation of the Philippines would come from a victory of the Hukbalahap (literally, the People's Anti-Japanese Army) guerillas who are fighting hit-and-run warfare with the Philippine Constabulary in many parts of Luzon. This pocket-sized imitation of the Chinese Communist Army is led by a 37-year-old Communist, Luis Taruc. Like the Chinese Communist Army it is led by Communists, fought well against the Japanese and is now powered by the smoldering discontent of an exploited tenantry, particularly in Central Luzon. At present it is small, with an estimated core of 7,000 armed men with perhaps 50,000 reserves recruited from the 300,000 supporters of the now illegal National Peasant Union.

In its agrarian tenant problem the Philippine Republic resembles much of the rest of Asia. Instead of eliminating the conditions that breed Communist-led insurgency, Filipino landlords and their political spokesmen prefer to talk darkly of "Russian submarines" off the coast of Luzon.

The Cultural Scene:

Chengtu Educators Strike

L. T. H.

THIS is an account of what has been going on among the educational circles in Chengtu during the last few weeks. I tell only the facts and leave the judgement to the public.

The educational profession has been one of the worst victims of bad government ever since the first years of the War of Resistance against Japan. For more than 10 years educators have eked along at the subsistence level. Now, as inflation becomes worse, their salaries are even more inadequate, and any delay in payment works inconceivable hardship. A full professor at National Szechuen University would have received the equivalent of four silver dollars for his March salary if he had been paid on time. But by the time he actually got it, it was worth little more than one silver dollar. The middle and primary school teachers are in even worse conditions.

Early in March, the professors, instructors and assistants of National Szechuen University passed a strike resolution, and soon after the teachers in the provincial and municipal middle and primary schools followed suit. On April 7, the students of the West China Union Middle School (founded by the same five American and British missions who organized the West China Union University) joined in.

There were three reasons for the students' strike: 1) to protest against the April 1 student incident in Nanking; 2) to show sympathy toward the provincial school teachers; and 3) to demand the punishment of the bodyguard of a retired militarist who had attacked a teacher of the Provincial School of Agriculture. This teacher is now in the hospital. Gradually students in some of the other private schools took similar action until by April 24 the entire educational system in Chengtu was in a state of paralysis.

Annoyed by the strike, which was added to its other problems, the provincial government decided to put a stop to it. On the morning of April 20, a truckload of plainclothesmen, about 20 in number, visited the West China Union Middle School. They first broke into the room of the dean of discipline and took him away. They they raided the boys' dormitories, seized one boy who was on the blacklist, and forced him into the truck at the point of a pistol. The other boys in the dormitory jumped out of bed and ran after their school mate and his captors. More than 20 shots were fired in the fracas that followed, and in the confusion the student managed to escape.

Similar things happened in other schools. The dean of discipline and

a history teacher in the Provincial Shih-Shih Middle School were taken away. Thirteen members of the Szechuen University Students' Self-Government Association and a number of students of the Provincial Fine Arts College also were arrested. No one knows where these prisoners are or what has happened to them.

Governor Wang Ling-chi issued a statement following the arrests. He said the teachers' and students' strike was a deliberate plot engineered by the Communists. As proof, he cited an unidentified jeep used by the students as a means of transportation during the movement and 60 tons of rice given by someone (presumably he meant his political rival Liu Wen-hui) to support the strike. He declared any further uprisings of this nature would be strictly dealt with.

Following this, some of the striking schools have resumed class, but guards are stationed around each school, and none of those arrested has been set free. The provincial school teachers have received their April salaries, amounting to 50 cents in silver.

Two episodes in connection with these developments may be of interest. The West China Union University remained perfectly calm throughout the whole affair. The students even observed the anniversary of their art college on April 20 by staging a play. Just before the performance the president telephoned the garrison commander that the boys of the West China Union Middle School were planning to stage a riot on the University campus. Hundreds of troops were sent to the campus and machine guns were pointed in the direction of the middle school. The principle and several teachers of the middle school were summoned and hurried to the vicinity to stop the riot. But nothing happened and the information proved to be groundless and absurd.

The other story concerns the principal of the Methodist Girls' School, who was warmly commended and given a three year extension of her term by the Provincial Board of Education as an expression of appreciation for her success in preventing the students of her school from participating in the students' strike. She did this by locking the girls in their dormitories.

The Dead Soldier Left By The Roadside

Tu Yun Sih (杜運燮)

Translated by Tu An (屠岸)

Tu Yun Sih (杜運燮) fought with the Chinese expeditions in Burma during the war against the Japanese, and wrote a number of poems at that time. Many of his earlier pieces were written in India. He has one published volume, "Forty Poems."

Give me a tomb,
A tomb like a black pie,
Or a flat one
Like a little garden ,
Or even a heap of earth;
As you like, as you like;
What I want is merely a tomb,
Merely not to be exposed
Like a heap of cow-bones.
For I am afraid of dogs,
Afraid of dogs since my childhood;
I fear to be tickled, I fear to be tickled,
My mother knew it true;
I fear to be licked by dogs,
To be licked and made convulsive,
With eyes red and tears to shed;
I fear to see dogs fighting;
Their noises are terrifying,
Especially for a bone they fight,
Their sharp fangs are too terrifying;
If the one a lump of flesh is biting,
And the other for a bone is fighting,
With the blood dripping between,
Then I, seeing it, will be giddy and fainting;
I fear the wild,
The wild with only wind and grass,
With hungry beasts prowling around;
That are not afraid of blood,
That are laughing strangely,
Especially when they are drinking blood;
They also chew bones
With their fangs more keen;
Such are greater threats to me than dogs;
I fear the black birds,
Black birds big as cocks,
That sit on the trees by night,
With beaks so curiously acute....
I fear, I fear,
The wind is gone,
The fallen leaves are gone,
Ashes and dust are gone,
Trees are struggling and rocking,
And, raising their limbs, will go too;
Ah, give me a tomb,
Merely a tomb,
Muddy and crude.

Invocation

(To the four martyrs in Kunming Massacre, Dec. 1, 1945).

Fung Tsze (馮至)

Translated by Tu An (屠岸)

Fung Tsze (馮至) is noted as a translator of Goethe and Rilke. He has written many sonnets and is considered to have been the most successful among those who have attempted to use the sonnet form in the Chinese language. His works include "Songs of Yesterday," "Travels to the North," and "Sonnets."

"You the dead, when will you come back?"
We have never left here.
"You the dead, why don't you appear?"
Oh, don't be sad, though we are dead,
We yet are here; raise your head—

Are there any supporters of justice whose hearts hold us not?
Are there any lovers of freedom whose minds keep us not?
Are there any desirers of light whose eyes see us not?

You need not call us back to you,
We have never left you,
Let us mingle our voices true—

"Justice, come back soon!
Freedom, come back soon!
Light, come back soon!"

Song Of A Liberated Farmer

Tu An (屠岸)

It was our forefathers' land,
And now, at last, it's the land of our own.
And it will turn to our children's hand
To sleep beneath and live upon.

We have driven the landlords away;
And now, who dares to do us harm?
We may work for ourselves from day to day—
Only farmers here possess their farm.

My sweat is sucked in by the sand,
The earth kisses my feet during my toil.
With all my heart I embrace my land,
And I myself become a part of its soil.

And when I'm proud of the glorious birth
Of the harvest that my farmland yields,
I'm then the guard and singer of the earth
—The very soul of my fields.

NEWS OF THE WEEK

People's Liberation Army Takes Shanghai, Nanchang And Sian

FOR the Nationalists, misfortune never comes singly. During the past week, the Nationalists lost a series of key cities and strategic centers, including Shanghai, China's nerve-center of industry and trade; Nanchang, provincial capital of Kiangsi; and Sian, provincial capital of Shensi. Foochow, provincial capital of Fukien, is facing a serious Communist threat and Canton, provincial capital of Kwangtung, is nervous about possible Red thrusts.

The loss of Shanghai is bound to produce far-reaching political, military, economic and international consequences. It is generally believed that this will prove the straw that breaks the back of the Kuomintang camel. After ten days' fighting, the Kuomintang forces were utterly defeated. In spite of the iron-clad press censorship on war news, the man in the street smelled a rat when the Kuomintang troops started pulling out in secret and when Government dignitaries and high-ranking army commanders took to their heels. The most ridiculous thing was that ten hours before the People's Liberation Army marched into the city from the western district the Kuomintang authorities ordered Shanghai-landers to hoist the national flag in celebration of a big victory. Failing to know where this big victory had been scored, some people thought that the People's Liberation Army had already arrived when they saw the the whole city bedecked with flags.

The strengthening of the Communist position in Chekiang and Kiangsi has increased the danger now facing Fukien and Kwangtung. Commenting on the possibility of a determined Communist drive on Canton, the *Associated Press* in a story dated May 17 from Canton said:

". . . Other reports said that the Communist second field army's southeast drive through Kiangsi province had carried to Liuchin, 225 miles northeast of Canton. The main body of General Liu Po-cheng's 70,000-man army are reported at Ningtu, 275 miles from Canton. If the reports about the progress of the Red second army are correct, indications are that it is heading for Kukong in northern Kwangtung and the East River area which is infested with local Communists. They may eventually join Red forces moving down the railway from Hankow for a final drive on Canton. Neutral military men in Canton say there is little between the Reds and Canton except mountains and space. They have revised time estimates for the Reds' arrival in Canton downward from six months to two months...."

Spiking current rumors regarding possible removal of the seat of the Nationalist Government from Canton, a spokesman for the Executive Yuan said the Government had not contemplated any plans to move the government headquarters, the official *Central News Agency* revealed. He termed as "groundless" current reports that the administrative organs of the Government will be moved to Chungking while the political outfits will remain in Canton temporarily. However, reports in the Chinese press indicated that the Government has decided to streamline its set-up in order to meet the requirement of the war with the Chinese Communists. In this connection, it is understood that some of the "surplus" personnel and agencies of the Government will be shifted to Chungking.

* * *

Formosa

MARTIAL law was proclaimed in Formosa as the result of the dramatic turn in the war situation on the China mainland. All ports on the island have been closed to trade except Keelung, Kaohsiung and Makung.

Meanwhile, it is understood that there has been some consultation between the United States and Great Britain on the Formsa issue. From London, the *United Press* reported:

"The island of Formosa is likely to become an important point in Anglo-American consultations in China. Formosa came to the spotlight during British parliament's China debate on May 15 in committee stage when the chairman declared the island was recognized as being still part of Japan. Subsequently Conservative member William Teeling suggested exchanging the 36-square mile crown colony of Hongkong and 60-square miles of leased territory on the mainland for the 13,000-square mile island of Formosa . . . British official quarters said the parliamentary statement on Formosa represented the Government's attitude. The Government position is that Formosa cannot be formally ceded by Japan to China until there is a peace treaty with the Allies. During current Anglo-American consultations on Far Eastern policy the question revolves around whether Formosa can be treated as a separate entity. The issue has been raised as to whether a retreat of Generalissimo Chiang Kai-shek and his Kuomintang adherents to Formosa would permit their recognition as a de jure government or as a de facto government in exile. Official sources said from the legal viewpoint the status of Formosa also would permit Communist leader Mao Tze-tung to proclaim his regime as the government of all China. Formosa also entered into discussions on a Pacific defense pact according to officials who recalled that the United States has already made known its intention of including the island in its defense chain after signing the Japanese peace treaty...."

* * *

Recognition

REPORTS from Washington stated that the United States and Britain have been working in close agreement so far regarding the necessity for recognizing and working with Chinese Communist officials on a local level in areas which the Reds now occupy. But it is feared that there might be some differences between Washington and London when it finally comes to the question of when and whether to recognize a Communist government in China as the de facto regime for all of China.

According to the *United Press*, Secretary of State Dean Acheson told a Senate appropriations subcommittee in a secret session that the United States would not recognize a Communist government as long as the Nationalist Government still retained a foothold on Chinese soil. While British officials in Washington are not fully informed of their Government's final attitude on this matter, the best informed opinion is that Britain might grant the Communists recognition somewhat earlier than the United States. Informed sources believe the British in considering which government to recognize might be guided more by the principle of which had become the 'paramount power' rather than whether the Nationalist Government still existed in some form in some area of China."

* * *

Japan

SOVIET Foreign Minister Andrei Vishinsky's proposal to discuss a peace treaty for Japan has aroused considerable interest and discussion in Japan. Informed Japanese said while they considered an early peace treaty for Japan the number one target of their country they wanted to examine the Russian proposal in more detail before making any comment.

Some comments suggested that perhaps Vishinsky had "inside information" on how long the Nationalist government in China could hold out in face of the Chinese Communist army drive southward toward the capital at Canton, the *United Press* said. These sources suggested that Vishinsky would hardly dare broach such a plan without some expectation that the Chinese Communists soon would become the legal government—holding China's seat in the proposed conference.

Comment In Chinese Magazines

Sinwen Tienti

THE *Sinwen Tienti* magazine of May 10 carries a highly interesting article about the imposition of press censorship in Shanghai, pointing out that this action was taken in view of the war situation.

The magazine said among other things: "As the situation gets more and more critical, cultural undertakings and the press in Shanghai are once subjected to the most rigid control. Thus, after a lapse of years, censorship of newspapers and magazines has been revived. The responsible personnel of all the newspapers and periodicals in Shanghai were invited to a meeting at the Youth Corps Headquarters at the end of April. Fang Chih, in his capacity as a member of the Political Council of the Nanking-Shanghai-Hangchow Garrison Headquarters, presided over the meeting and, on behalf of the authorities, made the following statement: 'Insofar as General Tang En-po has ever been a friend of press workers and cultural elements, and further as I consider myself as an old friend of you gentlemen, there should be no trouble at all for all parties to cooperate nicely in the observation of press censorship. It is only necessary for everybody concerned to have a clear understanding of our common objective . . .'

"These highly polished introductory remarks were then followed by some 40 minutes of spirited talk. Then, as if carried away by the emotions of the moment, Fang Chih suddenly adopted a most uncompromising attitude and announced, in a stern voice, that "General Tang shall enforce the censorship regulations in the most severe manner without paying the least attention to personal excuses or favors. Therefore those who wilfully act in contravention to the above-mentioned regulations shall be summarily punished in the strictest manner."

"Highly excited by the words 'in the strictest manner,' Thomas Chao, Chief Editor of the *Sin Wen Pao*, stood up and requested softly of Fang Chih, 'On one point at least, we hope you will be good enough as to ask for General Tang's favor. In regard to what little we people of the press have been able to contribute to the country in the past, and in view of our present increased responsibilities, it is hoped that the punishment will not be unduly severe in the case of occasional mistakes, which are, after all unavoidable. Should the punishment be too severe nobody would dare to do newspaper work.' At this, Commissioner Fang simply gave a solumn nod without bothering to giving a reply."

On the effect of press censorship, the article remarked:

"In the mean time, with all local editors and correspondents properly admonished, it is no wonder that over 80 percent of the news items recently carried in the Shanghai newspapers consisted of *Central News* releases. It is further alleged that, insofar as local newspaper workers have not yet been provided with curfew passes, they frequently have to sleep at their desks. With the sales of their papers going down steadily, they do not even get paid regularly. It is indeed a poor way to make a living."

It will be interesting to recall in this connection that the press censorship regulations promulgated by the Kuomintang army authorities in Shanghai were really absurd and ridiculous. News stories and editorials "undermining the security and order of the city," "violating government laws and regulations," "damaging the cooperation between the army and the people," or "spreading rumors" were banned.

It often happened that some stories published in the papers did not make any sense at all because part of them was deleted by the censor. Now that the city has been liberated, press censorship has automatically vanished together with the Kuomintang regime.

Comment In US Magazines

US News & World Report

AN interview with Joseph Fromm, Far Eastern editor of *US News & World Report*, summarizing his impressions of the trend of world events after three years of reporting from various key points, appears in the March 25 issue of that magazine. Fromm declared that the US approach to world problems is outmoded, that the State Department is upholding the status quo against Asia's grass-roots revolutions, and that America's prestige has dropped since the war.

His "outstanding impression," he said, was that "people everywhere seem to think the American approach to world problems is out of date. From the representatives of the State Department I got the impression.... that the US is playing with the world as though the countries were just chess pawns and there were no human beings involved....

"There seems to be a tendency to think you can buy nations. You can pour $2,000,000,000 into China, but you're not going to buy China. There is a revolution going on throughout Asia. It's a popular, mass revolution—right from the grass roots. But our policy, much of it anyway, is still based on the prewar status quo. . .

"At the end of the war, I was flabbergasted at the amount of American prestige. In Malaya, in Indonesia, people would pick me up and throw their arms around me. In Indo-China it was the same thing. They expected America to be the champion of nationalist movements.

"You can imagine the terrific letdown of these people when they decided America was on the side of the colonial powers. . .

"The Communists always are on the side of the nationalist movements. Indonesia, the Communist line is: "The Americans have betrayed us. The Russians have agreed to trade with us. So you see who our friends are."

In the discussion on China, Mr. Fromm was asked where the Chinese Communists get the money and the instruments to spread communism. In reply, Mr. Fromm said: "The point is, it doesn't take much. Take the little farmer in China who gets up at five in the morning and works until dark and after. He pays 50 to 60 percent of his crop in rent, another 20 percent in taxes, and then the Army comes along and takes 10 percent more. He sees no chance of a change.

"Then the Communists come along —with no money whatsoever—and merely say: 'Look. Why are you doing this: Why don't you join us and fight for your rights here?' You don't need money to mobilize that."

In reply to a question about the future in China, Fromm said, "I think the Communists are going to set up a coalition Government."

Asked how important China is from the standpoint of world peace, Fromm said: "Industrially, China is so backward that I can't think the country itself is any threat to peace....

"Politically, the situation might have the effect of heartening a lot of people in Asia. The people in Indochina, for instance. They may say: 'Now we have a big brother to the north.' Many people who weren't Communists before are going to think it might be a good idea to become Communists."

Asked about the effect, if any, on India, Fromm declared: "India is pretty remote from all this. I think it will remain neutral. One thing, though—the Communists In India seem to have learned some lessons from the Communists in China. They've gotten into the labor unions, and they are pretty strong there. But I think they are counting on rural India to be the strength of their movement, as it was in China . . ."

What Chinese Papers Say

CHINESE newspapers displayed intense interest in the current agitation for a Pacific Pact along the lines of the Atlantic Pact and stressed that the expansion of Communist influence in China and in Asia has made such a pact all the more necessary.

* * *

Pacific Pact

THE *Shih Snih Hsin Pao* noted with satisfaction that the movement for the conclusion of a Pacific Pact has made steady progress in recent months. It said:

"In the recent House of Commons debate on the Chinese Communist shelling of a British warship, the Amethyst, Winston Churchill once more advocated determinedly the conclusion of a Pacific Pact. Chinese Ambassador Wellington Koo, during a recent call on Secretary of State Dean Acheson, also brought up the same proposal. On May 15, Australian Prime Minister Chifley in a broadcast statement further stated taat a Pacific Pact, with Britain, Australia and New Zealand as the neucleus participants, was being proceeded with. The Philippine delegate to the United Nations has also advocated the early conclusion of a Pacific Pact, in which such countries as China and the Philippines should be invited to participate. President Truman has also issued a special invitation to Indian Premier Nehru to visit the United States. And we must not forget that the Amethyst is still a war booty held by the Communists, and that the positive measures now taken by Britain for the defense of Hongkong are not mere gestures.

"From these various traces, therefore, it may be clearly seen that progress is being made toward the conclusion of the Pacific Pact."

As to the reasons why the movement for a Pacific Pact has met with considerable success recently, the paper wrote:

"Certain recent developments have made the need more urgent for the conclusion of a Pacific Pact. The continued expansion of the influence of the Chinese Communists is making the peoples of Southeast Asia feeling an increasing threat. The Chinese Communists are now making redoubled efforts for an attack against Canton, and should they succeed, they will most assuredly attempt to establish contact with the Communists in French Indo-China, with the result that such countries as Malaya, Singapore and Hongkong will feel most uneasy. Their fear of the Communists may be compared to the same fear they had when the Japanese began to invade French Indo-China.

"There is then also the incident of the Communist shelling of the British vessel Amethyst, which is still in Communist hands. Since the Communists already resorted to such impudent acts, it is natural to assume that they will later attack Hongkong and also seek further expansion in the South Sea regions.

"The success in Europe of the Atlantic Pact must also be considered. Though the forthcoming Council of Foreign Ministers may not necessarily produce results, the fact remains that the Atlantic Pact has forced the Soviet Union into lifting the Berlin blockade. This development must give encouragement to the Asiatic nations in their attempt to conclude a Pacific Pact to maintain peace in Asia.

"Accordingly, as the Chinese Communists are seeking further expansion, they have also led the peoples of Asia to greater unity. They will meet with greater resistance in the future. This is in keeping with the principle of the cyclic rise and fall of power. Sooner or later there must come a unity of the Asiatic peoples, prompted by their fear of the Chinese Communists."

What US Papers Say

COMMENT in the American press was virtually unanimous in support of US policy toward Japanese reparations. Editorials also upheld Secretary Acheson's position that the time is not ripe for a Pacific pact.

* * *

Reparations

DISCUSSING the question of Japanese reparations, the *Washington Post* declared: "The sudden and seemingly arbitrary act of the United States in putting an end to Japanese reparations exactly accords with the view which this newspaper expressed as far back as February 2, 1947. It was then clear that Japan could never recover as long as the Allies were unable to spell out what reparations they wanted from Japan and how to divide them. . .

"The restoration of Japan's economic life as a trading nation will benefit not only Japan and the American taxpayer, but the entire Far East. . . ."

The *Chicago Tribune* agreed: "The new policy is obviously the right one and should have been adopted long ago. . . At a time when the world was in great need of production, we allowed productive facilities to be dismantled although it was altogether certain that the machinery would suffer damage in moving, that much production would be lost before new factories were established in new locations overseas and that much more would be lost for lack of skill in operating the machines."

The *San Francisco Chronicle* and the *Christian Science Monitor* also felt it would be a beneficial move from the standpoint of the American taxpayer. The *Chronicle* said:

"The US decision to stop stripping Japan of machine tools and other industrial equipment for reparations was foreshadowed more than a year ago in the report of the Draper mission. . . (which) pointed out, realistically, that we couldn't go on feeding the Japanese forever."

The *Monitor* declared:

'Further reparations could make Japan a weaker link in American security and as well as a greater drag on American prosperity. . . ."

The *Monitor*, however, deplored the method by which the US was forced to arrive at the decision unilaterally, saying that it "shows the need for coordination of America's Japanese policy more closely and understandingly with its Asian policy as a whole and with due regard for the wants of other Asian nations."

* * *

Pacific Pact

THE *New York Times* declared that the circumstances that make an Atlantic Pact advisable in Europe do not exist in the Far East. The paper explained:

"Most of the states of Western Europe are relatively mature and stable politically, have corresponding political institutions and, in the main, a common political philosophy. That is not the case in Asia. Threatened areas embrace six states that are young in independence, Korea, Philippines, Burma, India, Pakistan and Ceylon. Two are colonial areas now in transition, Indochina and Indonesia. One is a colonial area in which further major modification is probably distant—Malaya. Some other areas such as Hongkong, Singapore and North Borneo are Empire outposts. Under those conditions manifestly there would not be any gradual collaboration and integration."

However, the paper added, "The gravity of the threat cannot be ignored. If a Pacific pact modeled after the North Atlantic treaty is not feasible, and there is good reason to believe that it is not, then some other measures must be devised and some other steps taken to hold our ground. . . .

"The fact that we feel obliged to eschew and discourage any attempt to reach a Pacific pact should not deter us from insisting that we still believe in resistance to aggressive Communist expansion."

Service that serves the **WORLD**

IS YOURS TO COMMAND AND ALONG WITH THE SERVICE COMES THE FINEST PRODUCTS MONEY CAN BUY—

MOBILGAS

AND

MOBILOIL

STANDARD-VACUUM OIL COMPANY

KING De-GAW INTERNATIONAL - 11

Printed by THE MERCURY PRESS